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FINANCING OF THE UNITED NATIONS MISSION FOR THE REFERENDUM IN WESTERN SAHARA

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the addendum to the report of the Secretary-General on the financing of the United Nations Mission for the Referendum in Western Sahara (MINURSO) (A/48/848/Add.1). During the course of its consideration of the report, the Advisory Committee met with representatives of the Secretary-General, who provided additional information to the Committee.

2. Section I of the addendum to the Secretary-General's report summarizes developments relating to MINURSO during the period starting 1 January 1994. Among the developments was the adoption by the Security Council of resolution 907 (1994) of 29 March 1994, by which the Council agreed to the action that was outlined under option B of the report of the Secretary-General (S/1994/283). The revised estimates included in the addendum to the report of the Secretary-General reflect to a large extent the cost of maintaining the Mission under option B during the period from 1 April to 31 July 1994.

3. The addendum to the Secretary-General's report also provides information on the status of assessed contributions (sect. II) and the unencumbered balance (sect. III), voluntary contributions (sect. IV), revised cost estimates for the period from 1 April to 31 July 1994 (sect. V) and the observations of the Secretary-General (sect. VI). In section VII, paragraph 31, of the addendum, the Secretary-General summarizes the actions to be taken by the General Assembly at its forty-eighth session in connection with the financing of MINURSO.

4. With regard to assessed contributions, the Advisory Committee notes from paragraph 13 of the addendum that an amount of $140,911,223 was apportioned among Member States, against which payments of $120,544,862 have been received as of 30 April 1994, leaving an outstanding balance of $20,366,361 due from

Member States. The Committee understands that the adverse effects of the outstanding assessed contributions have so far been mitigated by the unencumbered balance of appropriation, which is estimated at $25,655,950 for the period ending 31 March 1994. This balance, however, as indicated in paragraphs 14 and 15 of the addendum to the Secretary-General's report, is projected to decrease to $6,843,150 by 31 July 1994, which would effectively bring the special account for MINURSO into a deficit, unless the outstanding contributions are paid.

5. The Advisory Committee was informed that the situation with regard to outstanding assessed contributions is virtually unchanged since its last review in March 1994.

6. Section VI of the addendum to the report provides information on the implementation of the observations and recommendations endorsed by General Assembly resolution 48/250. The Advisory Committee notes in this connection, that, in response to its recommendation contained in paragraph 6 of its report (A/48/906), some improvements have been made in the format of presentation of section IV, Voluntary contributions, of the addendum to the Secretary-General's report. The Committee's recommendations contained in paragraphs 26 (on consultants) and 27 (on hiring aircraft) of its report (A/48/906) have also been taken into account. At the same time the Advisory Committee regrets that its observations and recommendations have not been implemented in the following areas: the number of medical personnel in the Medical Unit (para. 12); the level of mission subsistence allowance for staff who are voluntarily away from headquarters and not on official duty (paras. 13 and 14); the size of the Movement Control Unit (para.16); the number of General Service staff (para.23); and the review of the basis for applying the Rabat standard costs to the Mission area (para. 25).

7. The Advisory Committee is not fully satisfied with the explanations provided by the Secretary-General (see A/48/848/Add.1, paras. 24-28) for not implementing all of the Committee's observations and recommendations, which were endorsed by General Assembly resolution 48/250. The Committee trusts that the foregoing will be implemented and it intends to revert to this question in the context of the next report of the Secretary-General on the financing of MINURSO.

8. Annex I to the addendum to the Secretary-General's report contains a summary of the revised cost estimates for the period from 1 April to 31 July 1994 and the monthly cost thereafter. As indicated in column 4 therein, the total revised estimated cost for the above period amounts to $18,812,800 gross ($17,693,100 net), of which $6,812,800 gross ($6,493,100 net) represents the additional requirements for this period. The monthly revised cost for the maintenance of MINURSO during the period from 1 April to 31 July 1994 is estimated at $4,703,200 gross ($4,423,300 net).

9. The Advisory Committee notes from column 3 of annex I that the additional requirements of $6,812,800 gross are attributable mainly to the following objects of expenditure: contingent-owned equipment ($2,733,200), civilian personnel costs ($2,125,000) and transport of contingent-owned equipment ($792,000).

10. The Committee notes that the additional provision of $2,733,200 under contingent-owned equipment represents the entire amount budgeted for under this object of expenditure, as no provision had been included in the previous period. The Advisory Committee was informed that, in the initial cost estimates for MINURSO for the period beginning 17 May 1991 (A/45/241/Add.1), a provision of $6 million was made to cover the anticipated costs of the contingent-owned equipment for the following contingents: infantry battalion, signal unit, medical unit and a logistics battalion. The provision was based on the then 30 per cent standard reimbursement of the total value of contingency-owned equipment (approximately $27 million) for the first nine months of MINURSO operation. The Advisory Committee intends to consider the question of the rates of reimbursement for contingent-owned equipment in the context of its consideration of the report of the Secretary-General on effective planning, budgeting and administration of peace-keeping operations.

11. The Advisory Committee was also informed that, because of certain difficulties that had arisen with some aspects of the implementation plan, the operation of MINURSO was maintained at a reduced level and only a Medical unit, provided by the Government of Switzerland, was deployed. The financial performance report of MINURSO from its inception up to 30 November 1991 did not provide for contingent-owned equipment. The budgetary provisions from December 1991 to March 1994 were made for the maintenance of the reduced civilian and military personnel of the Mission and no funds were requested or provided for the reimbursement to Governments for their contingent-owned equipment.

12. The additional requirements of $2,125,000 under civilian personnel costs provide for the addition of 29 civilian police, 72 international staff and 26 locally recruited staff. The Advisory Committee notes from paragraph 22 of the addendum to the report of the Secretary-General that the assistant-secretary-general post of the Deputy Special Representative of the Secretary-General is proposed to be reactivated and the D-2 post currently encumbered by him be frozen. The Advisory Committee concurs in the proposal to reactivate the assistant secretary general post of the Deputy Special Representative of the Secretary-General. The Committee is not convinced, however, that sufficient justification exists for freezing the D-2 post currently encumbered by the Deputy Special Representative. The Advisory Committee recommends, therefore, that the D-2 post be abolished.

13. As reflected in section II, line item 16, of annex II, the additional provision of $792,000 relates to freight charges ($392,000) for the repatriation of the equipment, provided for the Swiss Medical Unit (see also para. 10 above) and to the deployment of its replacement ($400,000).

14. As shown in paragraph 19 of document A/48/848/Add.1, the Secretary-General estimates the monthly cost of the operation for the period beyond 31 July 1994 at $3,768,700 gross ($3,422,200 net). The Advisory Committee notes from the explanation provided therein that the reduction in the monthly cost after 31 July 1994 is due to the exclusion of non-recurrent costs associated primarily with the acquisition of equipment, prefabricated buildings and vehicles. Annex III to the addendum to the Secretary-General's report provides supplementary information in respect of this estimate.

15. The Advisory Committee takes note from paragraph 14 of document A/48/848/Add.1 of the unencumbered balance of appropriation of $25,655,950 gross ($26,847,050 net) as at 31 March 1994, which will be sufficient to meet the revised cost of maintaining MINURSO for the period from 1 April to 31 July 1994. In paragraph 31 (b) of the addendum to his report, the Secretary-General requests authorization to utilize this unencumbered balance for the maintenance of MINURSO during the period from 1 April to 31 July 1994 at a total cost of $18,812,800 gross ($17,693,100 net), inclusive of the amount of $14,800,000 gross ($14,000,000 net) already authorized by General Assembly resolution 48/250. The Advisory Committee concurs in this request of the Secretary-General.

16. The Advisory Committee notes from information contained in paragraph 14 of document A/48/848/Add.1 that the unencumbered balance of appropriation of $6,843,150 gross ($9,153,950 net) is projected for the period ending 31 July 1994. This balance, in the view of the Committee, will be sufficient to meet the cost of maintaining MINURSO for a period of about two months, from 1 August to 30 September 1994. The Advisory Committee recommends that the Secretary-General be authorized to enter into commitments for the maintenance of the Mission at a rate not to exceed $3.4 million per month for the period from 1 August to 30 September 1994, the said amount to be utilized from the $6.8 million of the unencumbered balance of appropriation projected at 31 July 1994.

17. In this connection, the Advisory Committee reiterates its view outlined in paragraph 29 of its report (A/48/906) that "... outstanding assessments of $20.3 million, unless received in the coming months, will have a significant impact on cash flow and on the maintenance of the operation. This underlines the necessity of prompt payment of assessed contributions by Member States in accordance with the Financial Regulations."